

trading the **actively managed** fund through the specialist through pricing of the [financial product] **actively managed fund shares** as determined between buyers and sellers of the **actively managed** fund,

wherein the hedging basket of securities does not reveal the actively managed fund assets.

22 (previously presented). The method of claim 21 wherein the value of the hedging basket of securities tracks the price of the actively managed fund.

23 (currently amended). The method of claim 21 further comprising:

[determining in a computer system hedging basket of securities, with determining further comprising:]

using a computer system to apply factor analysis to produce the hedging portfolio that tracks the portfolio of financial instruments to hedge the position taken by the specialist in the [exchange traded] **actively managed** fund.

24 (currently amended). The method of claim 23 wherein the factors that are examined by factor analysis include economic activity, inflation rates, or other factors that are related to measures of economic activity.

25 (currently amended). The method of claim 21 **[wherein trading in shares of the actively managed fund takes into consideration a calculated intra-day net asset value proxy for the fund] further comprising publishing an intra-day net asset value proxy for the actively managed fund.**

26 (currently amended). The method of claim 21 **[further comprising:**

determining an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the prior close of the fund] wherein the intra-day net asset value proxy is calculated by applying prices received from a quote feed to the security positions in the fund portfolio as of the close of trading on the prior day.

27 (currently amended). The method of claim 23 wherein determining further comprises:

applying factor analysis to the portfolio of the **[exchange traded] actively managed** fund to provide the factors.

28 (previously presented). The method of claim 27 wherein applying occurs in a trusted computer system.

29 (previously presented). The method of claim 21 wherein the factors that are examined by factor analysis include factors related to measures of security price behavior.

30 (currently amended). A method of trading intra-day an actively managed fund **[comprises] comprising:**

calculating an [referring to a calculated] intra-day net asset value proxy for the actively managed fund, wherein the intra-day net asset value proxy for the actively managed fund does not reveal the fund assets;

trading shares of the actively managed fund by determining **using the intra-day net asset value proxy for the actively managed fund to estimate** a price [of] **for shares of the actively managed fund.** [the financial product between buyers and sellers taking into consideration information about the determined intra-day net asset value proxy for the fund.]

31 (currently amended). The method of claim 30 **[wherein trading the shares]** further **[comprises] comprising**:

trading on a securities exchange through a specialist **who hedges a position taken in the actively managed fund.** **[and wherein the method further comprises:**

hedging a position by the specialist to offset a position in the actively managed fund.]

32 (currently amended). The method of claim 30 wherein **[referring to the intra-day net asset value comprises:]**

said calculating **step comprises** **[the referring to intra-day net asset value proxy for the fund by]** applying prices received from a quote feed to security positions in the fund portfolio [;] **and** adjusting the **fund** portfolio to reflect any transactions made on the prior trading day.

33 (currently amended). The method of claim 32 wherein the **fund** portfolio is adjusted to take into consideration **[factors such as]** dividend credits and expenses attributable to the current trading day.

34 (currently amended). The method of claim 30 wherein the **intra-day** net asset value proxy calculation is executed within a trusted system.

35 (previously presented). The method of claim 30 wherein the trusted system is a physical hardware and operating system configuration in which domain configuration and trust relationships are established to determine access to information in the trusted system.

36 (currently amended). The method of claim 35 wherein the **[relationship established in the]** trusted system **[is denying]** denies access to the decrypted portfolio file from outside of the calculation process absent a trusted relationship.

37 (currently amended). The method of claim 30 wherein the calculating step further comprises **[decrypting further comprises:]** decrypting a portfolio file received from the actively managed fund and populating a table with fund positions including a security identifier and quantity of shares of securities held in the actively managed fund.

38 (currently amended). The method of claim 30 further comprising the step of **[,** **wherein referring includes:]** disseminating the intra-day net asset value proxy for the actively managed fund on a periodic basis throughout the trading day.

39 (currently amended). A computer program product residing on a computer readable medium for trading an actively managed **[, exchange traded]** fund[s,] comprising **[comprises]** instructions for causing a computer to:

select and weight financial instruments based on historic pricing of said financial instruments and historic pricing of the securities in the actively managed fund using a factor model, and to

construct a factor weighted portfolio from the selected weighted financial instruments **[by selecting and weighting of instruments based on historic relationships, as analyzed by a factor model that analyzes how various factors effect pricing of the underlying portfolio,]** wherein the factor weighted portfolio is used to hedge the position taken by the specialist in the **[exchange traded]** actively managed fund, and wherein the factor weighted portfolio does not reveal the fund assets.

40 (previously presented). The computer program product of claim 39 wherein the factors that are examined by factor analysis include factors related to measures of security price behavior.

41 (currently amended). The computer program product of claim 40 wherein the factors that are examined by factor analysis include **factors related to measures of** economic activity **or** [,] inflation rates **[or other factors that are related to measures of economic activity]**.

42 (currently amended). The computer program product of claim 40 further comprising instructions to cause a computer to:

determine an intra-day net asset value proxy for the **actively managed** fund by applying prices received from a quote feed to **the** security positions in the fund portfolio as of the **close of trading on the** prior **day** **[close of the fund]**.

43 (previously presented). The computer program product of claim 42 wherein instructions to apply occur in a trusted computer system.

44 (currently amended). A system to manage intra-day trading of an actively managed fund on an exchange **[, comprises]** **comprising**:

a computer system including a processor and memory to execute computer instructions and storage to store a computer program product **[comprises]** **with** instructions for causing a computer to **[:]** produce a hedging basket of securities for a market specialist to allow the market specialist to manage investment risk in the actively managed fund, **wherein the hedging basket of securities does not reveal the fund assets**; and **[; and with the system further comprising**:

a trade process that allows trades of the fund shares to be executed between buyers and sellers through the specialist by determining a price of the financial product between buyers and sellers of the fund.]

a computer system programmed to allow trades of the fund shares between buyers and sellers through the specialist at a predetermined price based on a net asset value proxy for fund shares.

45 (currently amended). The system of claim 44 wherein instructions to produce a hedging basket further comprise instructions to:

apply factor analysis **to the actively managed fund** to produce the hedging **[portfolio] basket of securities with a net asset value** that tracks the **net asset value of the actively managed fund,** **[portfolio of financial instruments to allow] wherein** the specialist **uses the hedging basket of securities** to hedge the position taken by the specialist in the **[exchange traded] actively managed** fund.

46 (currently amended). The system of claim 45 wherein the factors that are examined by factor analysis include **factors related to measures of** economic activity **[,] or** inflation rates **[or other factors that are related to measures of economic activity].**

47 (currently amended). The system of claim 44 wherein the **[computer system stores a]** computer program product comprises instructions for causing a computer to **[:] determine an** intra-day net asset value proxy for the **actively managed** fund by applying prices received from a quote feed to **the** security positions in the fund portfolio as of the **close of trading on the prior day** **[close of the fund].**

48 (currently amended). The system of claim 45 further comprising:

a second computer system which is a trusted computer system including a second processor and second memory to execute computer instructions and storage to store a computer program product **[comprises] with** instructions for causing a computer to **[determine a]** determine an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the **close of trading on the** prior **day** **[close of the fund]**.

49 (currently amended). A method of intra-day trading in shares or derivative instruments of an actively managed fund **[, the method comprises]** comprising:

using a determined hedging basket of securities that track the actively managed fund or derivatives to manage investment risk taken in the shares or derivative instruments of the actively managed fund, **wherein the hedging basket of securities do not reveal the fund assets**; and

trading the fund shares or derivative instruments through **negotiated** pricing of the fund shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the **actively managed** fund.

50 (currently amended). The method of claim 49 wherein the value of the hedging basket **[generally] of securities substantially** tracks the value of the **[exchange traded] actively managed** fund.

51 (currently amended). The method of claim 50 further comprising:

applying factor analysis to produce the hedging portfolio, **wherein the hedging portfolio is used by an investor in the actively managed fund** [that tracks the portfolio of financial instruments] to hedge the position taken in the [exchange traded] **actively managed** fund.

52 (currently amended). The method of claim 51 wherein the factors that are examined by factor analysis include **factors related to** economic activity[, **or** inflation rates [**or other factors that are related to measures of economic activity**].

53 (currently amended). The method of claim 49 wherein [trading] **pricing** of the fund shares or derivative instruments [takes into consideration] **is based on** a calculated intra-day net asset value proxy for the **actively managed** fund.

54 (currently amended). The method of claim 49 further comprising **the step of** [:] determining an intra-day net asset value proxy for the fund by applying prices received from a quote feed to security positions in the fund portfolio as of the **close of trading on the** prior **day** [close of the fund].

55 (currently amended). The method of claim 54 wherein **the step of** determining the intra-day net asset value proxy occurs in a trusted computer system.

56 (currently amended). A method of intra-day trading of shares or derivative instruments of an actively managed fund, the method [comprises] **comprising**:

calculating an intra-day net asset value proxy for the **fund** shares by applying prices received from a quote feed to security positions in the fund portfolio, **wherein the intra-day net asset value proxy does not reveal the fund assets**; and

trading the fund shares or derivative instruments **based on negotiated** [through] pricing of the **fund shares or derivative instruments** [financial product,] as determined **by** [between] [buyers and sellers of the shares or derivative instruments with pricing of the shares or derivative instruments taking into consideration information about the determined] **the** intra-day net asset value proxy for the **actively managed** fund.

57 (previously presented). The method of claim 56 wherein trading the shares or derivative instruments occurs on a securities exchange or market entity.

58 (currently amended). The method of claim 56 wherein trading the shares or derivative instruments occurs through a specialist or market maker and wherein the method further comprises:

using a determined hedging basket of securities that track the actively managed fund or derivatives to allow management of investment risk in shares of the actively managed fund, with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker **[to maintain an orderly market in shares or in the derivative instruments in the exchange traded fund]**.

59 (currently amended). The method of claim 58 wherein trading occurs in shares through a specialist or market maker and wherein the method further comprises:

using a determined hedging basket of securities that track the actively managed fund to allow management of investment risk in shares of the actively managed fund with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a

position taken by the specialist or market maker **[to maintain an orderly market in shares in the exchange traded fund]**.

60 (currently amended). The method of claim 58 wherein trading occurs in derivative instruments through a specialist or market maker and wherein the method further comprises:

using a determined hedging basket of securities to allow management of investment risk in derivatives with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker **[to maintain an orderly market in the derivative instruments in the exchange traded fund]**.

61 (currently amended). The method of claim 56 wherein **the step of** calculating the intra-day net asset value is executed within a trusted system [,] **and** the method further comprises [:] **the step of** adjusting the **fund** portfolio to reflect any transactions made on the prior trading day [;] to take into consideration **[factors such as]** dividend credits and expenses attributable to the current trading day.

62 (currently amended). The method of claim 61 wherein the trusted system is a physical hardware and operating system configuration in which domain configuration and trust relationships are established to control access to a[n] decrypted portfolio file representing positions taken in the actively managed fund.

63 (currently amended). The method of claim 56 wherein **the step of** calculating the intra-day net asset value is executed within a trusted system, **and** the method further **[comprises]** **comprising** disseminating the intra-day net asset value proxy for the **actively managed** fund on a periodic basis throughout a trading day.

64 (currently amended). A method of intra-day trading on an exchange or market in shares or derivative instruments of an actively managed fund, the method **[comprises] comprising**:

referencing a calculated intra-day net asset value proxy for the actively managed fund, **wherein the net asset value proxy for the actively managed fund does not reveal the assets of the actively managed fund**; and

trading the fund shares or derivative instruments through **negotiated** pricing of the fund shares or derivative instruments **[as determined between] by** buyers and sellers of shares in or derivative instruments of the fund **[taking into consideration] based on** prices posted for the calculated intra-day net asset value proxy **for the actively managed fund**.

65 (currently amended). The method of claim **[64] 66** wherein trading the fund shares or derivative instruments occurs through a specialist or market maker that hedges positions using the determined hedging basket of securities.

66 (currently amended). The method of claim 64 further comprising:

applying factor analysis to produce a hedging portfolio that tracks the portfolio of financial instruments to hedge positions taken by participants that trade in shares or derivative instruments of the **[exchange traded] actively managed** fund.

67 (currently amended). The method of claim 64 wherein the **intra-day net asset value** proxy is calculated by^{[:} **determining an intra-day net asset value proxy for the fund by]** applying prices received from a quote feed to security positions in the fund portfolio as of the **close of trading on the prior day** **[close of the fund]**.

68 (currently amended). The method of claim 64 wherein **the step of** determining the intra-day net asset value proxy occurs in a trusted computer system.

69 (currently amended). **An [a]** actively managed fund that is traded intra-day between buyers and sellers, **[comprises] comprising:**

shares or derivative instruments corresponding to an interest in the actively managed fund, with the shares or derivative instruments traded based on a determined hedging basket of securities that track the actively managed fund or derivative, **wherein the hedging basket of securities is used** to manage investment risk taken in the shares or derivative instruments of the actively managed fund, **and wherein the hedging basket of securities does not reveal the fund assets.**

70 (currently amended). The actively managed fund of claim 69 **[further comprises:]** **wherein** the shares or derivative instruments corresponding to an interest in the actively managed fund further traded based on **[:] negotiated** pricing of the shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the **actively managed** fund.

71 (currently amended). The actively managed fund of claim 69 **[further comprises:]** **wherein** the shares or derivative instruments corresponding to an interest in the actively managed fund further traded based on **[:] a determined intra-day net asset value proxy for the** **actively managed** fund that is referred to for pricing of the shares or derivative instruments.